

P: AAV-334

11-1-86

U N C L A S S I F I E D

USAID/PAKISTAN

PROGRAM WEEK

FEB. 1986 ACTION PLAN

U N C L A S S I F I E D

TABLE OF CONTENTS

	<u>Page</u>
PART I - INTRODUCTORY OVERVIEW.....	1
- CURRENT PROGRAM STATUS.....	2
- STATUS OF POST-FY 1987 ECONOMIC ASSISTANCE PROGRAM.....	3
 PART II - PERFORMANCE AND PLANS.....	 6
A) PROGRAMMATIC OBJECTIVES, BENCHMARKS AND PERFORMANCE.....	6
B) ACTIONS FOR THE COMING YEAR - FY 1987.....	9
C) NARRATIVE.....	12
 PART III- SPECIAL CONSIDERATIONS.....	 14
A) FINANCIAL ISSUES AND ANTICIPATED ACTIONS.....	14
B) EVALUATION PLAN.....	17
C) PL-480.....	18
D) WORK FORCE.....	18
E) GRAY AMENDMENT.....	19
F) SUMMARY BUDGET TABLES.....	19

ACRONYMS

DST	-	Development Support Training
ENERCON	-	Energy Conservation Unit (GOP)
ENERPLAN	-	Energy Planning Unit (GOP)
FPD	-	Forestry Planning & Development
FSM	-	Food Security Management
KESC	-	Karachi Electric Supply Corporation
MART	-	Management of Agricultural Research & Technology
MDB	-	Multilateral Development Bank
NWF	-	North-West Frontier Province
PWP	-	Population Welfare Planning
SMC	-	Social Marketing of Contraceptives
TIPAN	-	Transformation & Integration of Provincial Agricultural Network
WAPDA	-	Water & Power Development Authority

PART I Overview of Current Program

The Pakistan program is in the fifth year of the six-year \$1.6 billion economic support package negotiated in the wake of the Soviet invasion of Afghanistan. The Russians are very much still in Afghanistan. Indeed their brutal conduct of the war in Afghanistan and their pressure on Pakistan through cross-border aerial incursions and saboteur missions have grown ever more outrageous. New Afghan refugees continue to add more human misery to by far the world's largest refugee population. The new parliamentary government is under some public pressure, likely to grow, to cut a deal with the Russians.

The economy continues to be marked by a surprising appearance of prosperity - deceptive in the sense that rather little basic economic reform has been accomplished. Many Pakistanis are relatively better off than they otherwise would be because of the extraordinary inflow of remittances, legal and illegal, from the Gulf states; drug and smuggling money; and doubtless a number of financial benefits derived from the Afghanistan war. Falling oil prices today are, as one observer put it, but the latest deus ex machina.

By GOP testimony, the AID program has been very useful to Pakistan during this troubled period. It has helped the government to deal with an absolutely critical energy shortage; it has provided rapid commodity help in times of serious production shortfalls; it has reestablished a U.S.-Pakistani relationship in training and research greatly valued by most Pakistanis; and it has been useful to the government in analyzing and pushing economic policy reforms. In its economic policy work, the Mission has developed a highly effective and unusual degree of cooperation and collaboration with the World Bank and the Asian Development Bank. In a variety of ways, mostly indirect, the AID program has been useful in private sector development.

The program itself, on average, is about a year behind schedule in implementation. A majority of the projects are only now beginning to come

together, and implementation problems are thus just beginning to be revealed in their true, large dimensions. These were the main focus of the very helpful Mission assessment carried out in November, 1985. At the same time, the Mission has begun serious planning for the Post-1987 program to which President Reagan has committed the U.S. Government.

Current Program Status: The Mission's current portfolio consists of 19 ongoing projects. Two projects, Commercial Funding Investment Corporation (CFIC) (391-0482) and Roads Resources Management (391-0480) are planned for authorization and initial obligation during FY 1986. The Lakhra Coal Power Generation Project (391-0487) with luck will make an initial obligation in June, 1987. Staff attention is now basically concentrated on implementation of the existing project portfolio. In an effort to reduce the direct management burden, host country contracting is now the Mission's preferred means of acquiring TA under the program. We are exploring other modes to assist local institutions to reduce reliance on expatriate expertise.

The AID program has been marked by some real successes. The Guddu 450 MW combined cycle turbine generation plant component of the Rural Electrification Project has two generators currently operating and two more will begin operation in March 1986. The Guddu turbines, brought in on time and within cost estimates, will increase the thermal generation capacity of the current system by 25 percent. The NWFP area development project has to date been successful in assisting the GOP enforce its ban on opium poppy cultivation in the project area by timely implementation of the project's economic and development assistance package. The Mission's PL-480 title I project has helped focus GOP policy makers' attention on liberalization of policy on the edible oils market. The On-Farm Water Management project is regarded by the GOP, the World Bank, and the Mission as a true success in improving the utilization of water by the farmers.

Three evaluations were completed in FY 1985. Six interim and one special evaluation will be conducted in FY 1986. During FY 1985, three major policy

studies (contraceptives, fertilizer, and edible oil stock and trade management) were completed. Policy related studies are being carried out in all major sectors in FY 1986.

Seventeen major contracting actions for technical assistance, each costing over one half million dollars, were executed in FY 1985. Ten and six are planned for FY 1986 and FY 1987, respectively. Regarding commodities, ten large procurements took place in FY 1985. Thirty and 25 major commodity contracts are planned for FY 1986 and FY 1987 respectively.

As of Dec. 31, 1985 the Mission pipeline was \$467 million. It is expected to decline to \$445 million by end FY 1986 even with \$263 million in new obligations. Of the Dec. 31 pipeline, less than 20 percent relates to project delays. The remaining represented forward funding.

At the end of FY 1985, on-board USDH staff were 42 as against the Mission authorized ceilings of 43. No increase in the DH ceiling is planned. Significant staff turnover occurred during FY 85, including much of the Mission's senior management. At the end of FY 1985 71 long-term (L.T.) contractors were on board. Under the existing portfolio, the level of L.T. contractors will peak at 125 by the end of FY 1986 and decline thereafter. Redesign efforts underway for ongoing projects and the three new projects could easily extend this peak out to FY 1988 unless every effort is made to reduce the number of expatriate advisors.

Status of Post-FY 1987 Economic Assistance Program: The multiyear program of economic assistance agreed to in 1981 will end on Sept. 30, 1987. The 1981 agreement was devoid of policy conditionality. The Mission is now planning for a Post-FY 1987 Economic Assistance Program. In the early bilateral discussions, the USG has stated its desire to associate future assistance with GOP policy performance.

In each major sector of AID involvement, Mission staff are identifying policy and performance goals against which assistance can be programmed. These analyses will buttress a new CDSS to be submitted in 1987.

The new program should establish a clear connection between policy objectives and performance. It also should be designed to be easier to manage and require significantly less technical assistance. We want fewer and larger projects. For political purposes, we will want to support some small number of large, developmentally useful and highly visible projects.

The GOP and we have agreed that the new program should continue to focus on three sectors -- energy, agriculture and irrigation, and social services. While continuing to work in these sectors, we will examine different approaches to policy and structural reform and to institutional problems. These may include performance-related disbursements, placing much more project responsibility squarely on Pakistani institutions, and greater assistance to and reliance on the private sector. The Mission is thinking along the following lines:

- Energy: AID should take a more visible funding role in power generation, rehabilitation, conservation and management. This might include, as appropriate, Kalabagh Dam, Lakhra, and other nationwide energy efforts. AID will retain and further develop energy policy/think tank capabilities but increasingly move these under Pakistani control. A strong effort will be made to create and expand a major role for the private sector in the development of Pakistan's energy resources oil, gas, coal, and water.
- Agriculture: AID should concentrate on productivity and production. Support will continue for agricultural research and water management but focus on improving on-farm productivity. Efforts to bring about institutional changes in the irrigation departments may shift to performance goals. Support for research will be less centralized, serve a wider audience and encompass the private sector's role in product development, innovative technology and extension.

- Health and Population: AID's emphasis is expected to shift to a large, visible national program addressing child survival problems. AID also hopes to help the government decentralize control over rural health care units and to experiment with local-level financing. We will examine how to improve malaria control efforts and possibly expand these to control of other communicable diseases. The population program, with a much increased private sector role will merit strong support.
- Education and Training: The Mission is carrying out a major primary education assessment this spring. The new government has given mass education a very high priority, and some increasing funding for the sector is beginning to appear. The large training program has been extremely valuable and we expect it to grow even further, possibly incorporating research to support Pakistan's broad public and private sector policy agenda. We will actively seek ways to support women's development.
- Private Sector: Beyond the planned CFIC project and aggressive advocacy of the private sector role throughout our program - and that of the MDBs, we will examine ways to employ AID funds to support improved domestic resource mobilization, divestment of state owned enterprises, and liberalization of regulatory procedures.
- Narcotics: AID will continue to support the narcotics reduction program, preferably through an increasingly multilateral program.
- Modalities: The Mission expects to use programmatic modes such as CIPs, PL 480, and cash transfer (budget support or sector loans/grants with performance-related disbursements), to provide large, fast-disbursing resources in support of agreed policy reform achievements. We also expect to augment selected ongoing projects and add some new ones to achieve our program objectives.

PART II Performance and Plans

A. Programmatic Objective, Benchmarks, and Performance

Detailed in the following sections are the Mission's FY 85, 86 and 87 benchmarks against which program and project progress should be measured. It should be noted that FY 85 and FY 86 benchmarks were never previously formally stated - at least not in the fashion requested in the guidance. Generally the Mission's CDSS retains its analytical validity.

Macroeconomic Objectives

*Objective: Increase Domestic Resource Mobilization: Benchmark: Study tariff reform in 1986 and begin implementation in 1987. Benchmark: Eliminate budget subsidies for wheat flour, edible oil, and fertilizers by end 1987. Benchmark: Electricity tariffs rationalized to cover 40 percent of WAPDA's 1987 investment budget.

*Objective: Greater Liberalization of Policies and Procedures to Facilitate Private Investment: Benchmark: Establish rules for private financial companies in 1986. Benchmark: In 1986 expand CIP private sector windows to American and other banks. Benchmark: Investment sanctioning process reviewed and reformed by end 1987.

Agriculture Objectives

*Objective: Maximum Reliance on Farm Input and Output Market Forces: Prior Benchmarks: Establish Directorate of Agriculture Policy and related economic analysis network. Policy study on fertilizer completed and unrestricted private sector importation of edible oil. Note: The GOP still restricts edible oil imports. A Cabinet decision is awaited on the Deregulation Commission's

recommendation. Benchmark: Private sector share of fertilizer distribution increased from 50% to 60 % in 1986. Benchmark: Complete deregulation of the edible oil industry by end 1987.

*Objective: Improved Integration of Agricultural Education, Research and Extension:

Prior Benchmark: TIPAN project agreement approved. Benchmark: Agriculture research and education in the NWFP merged by end 1986. Benchmark: Prioritized, country-wide, agricultural research plan agreed to in 1987.

*Objective: Improved Delivery and Utilization of On-Farm Water: Prior Benchmarks:

Provincial management offices established in seven command areas, and 10 rehabilitation schemes completed with 54 under implementation. Benchmark: Studies completed during 1986 on drainage, water course cost recovery, private sector involvement, and precision land leveling. Benchmark: Water rate charges increased to cover over 50 percent of irrigation O&M costs by end 1988.

Energy Objectives

*Objective: Increased Availability of Energy: Prior Benchmarks: Energy Planning

Office established in Ministry of Planning, thermal power efficiency program designed for WAPDA and KESC, and national energy conservation program drafted.

Benchmark: Explicit GOP pricing policies developed during 1986 to buy privately produced power. Benchmark: Major rehabilitation programs for existing generation and distribution facilities agreed to in 1986.

*Objective: Identify and Develop Indigenous Energy Resources Primarily in the

Private Sector: Prior Benchmarks: Increases in electricity tariffs, GOP endorsement of private sector participation in coal power generation, and completion of various feasibility studies for Lakhra power plant and coal mines. Note: Completed Lakhra

studies delayed until 1986 due to changes in power plant size. Benchmark: In 1986 GOP contracts for private sector exploration and development of onshore natural gas fields. Benchmark: ENERCON staffed and functioning during 1986.

Social Sectors

*Objective: Reduce Infant Mortality Rate 25 Percent by 1995: Prior Benchmarks:

Develop integrated rural health complexes and construct medical technician training schools. Note: Contract delays in 1985 postponed some school construction.

Benchmark: Medical technician curriculum revised to focus on prevention in 1986.

Benchmark: National child survival campaign planning initiated by end 1986.

*Objective: Total Fertility Rate Reduced to 5.0 Percent by 1993: Prior Benchmark:

Contract private firm for social marketing of contraceptives. Benchmark: Strong GOP support of public and private sector population programs. Benchmark: Family planning services incorporated into the rural health delivery system during 1986.

*Objective: Reduce the Burden of Preventable Disease on the Productive Population:

Prior Benchmarks: Improve Malaria spraying operations and relevance of the

International Center for Malaria Research and Training. Benchmark: In 1986

integrate vertical immunization program into regular health service. Benchmark:

Develop alternatives to insecticides use for malaria control by 1987.

*Objective: Upgrade Leadership and Management Across Sectors: Prior Benchmark:

Place over 400 participants in FY 1985. Benchmark: The Ministries of Science and Technology and Education agree to increase overseas degree training in 1986.

Benchmark: Greater GOP support for private sector training in 1986. Benchmark:

Substantial increase in training of women during 1987.

Special Objectives - Lagging Areas

*Objective: Eliminate Existing Opium Poppy Production: Prior Benchmarks: Implement agriculture, infrastructure and off-farm employment activities in Gadoon-Amazai area. Benchmark: Continued GOP eradication program for opium poppy production in 1986. Benchmark: Increase support for eradication efforts utilizing economic alternatives to poppy production during FY 1986.

*Objective: Strengthen Development Administration in NWFP Tribal Areas: Prior Benchmarks: Placement of technical advisors for implementing road and water resources infrastructure. Benchmark: GOP/Tribal relations maintained on stable level in 1986 and later years. Benchmark: 1986 contract award for construction of three roads and design of irrigation schemes.

*Objective: Accelerate Integration of Baluchistan's Makran Division into Economic Mainstream of Pakistan: Prior Benchmarks: Contracts placed for technical assistance and A/E for road and water resource development. Benchmark: During 1986, construct Turbat Headquarters Complex, design the 55 km Bela Awaran road and the Ketch river bridge. Benchmark: Design in 1986 special undergraduate/graduate program for students in the backward Makran area.

B. Actions for FY 1987

The following are policy and project implementation actions, and evaluation/study activities to meet the Mission's programmatic objectives in FY 1987.

Macroeconomic Objectives

*Increased Domestic Resource Mobilization: The Commercial Funding and Investment

Corporation will begin attracting additional foreign private capital (PD/PS/IB). Federal and Sind maintenance policy (PD/IB)) will begin to address recurring cost budgeting. Mission will not support MDB sector credit loans unless accompanied by GOP measures to address mobilization issue (PD).

*Greater Liberalization of Policies and Procedures to Facilitate Private

Investment: Mission will support MDB sector loans predicated upon GOP action to reform tariffs and investment approval process (PS). GOP will clarify policy for energy procurement from the private sector (PD/PS).

Agriculture Objectives

*Maximum Reliance on Farm Input and Output Market Forces: Ten economic and policy analyses (PD/PS) initiated under FSM. Evaluation of the ACE program's policy impact in fertilizer and determine future policy focus of program (PD/PS).

*Improved Integration of Agricultural Education, Research and Extension: MART will support five farming systems studies (PD), and eight research administration, evaluation, and financial planning workshops (IB); the GOP will approve crop specific and arid land research plans (IB). TIPAN construction of training buildings will begin at the NWFP agricultural college. The curriculum will be completely revised (TT/IB). Plant 1200 acres of trees under FPD (TT), approve a country-wide forestry research plan and set up four provincial training centers. (TT/IB).

*Improved Delivery and Utilization of On Farm Water: Under ISM, implement water management plans in each command area (IB) and establish water user associations in 25 percent of command areas (IB/PS). An OFWM Water Course Maintenance study will be completed and four provincial training centers will be opened (IB/TT). The

Mission will continue to support MDB irrigation loans conditioned on government actions regarding water rates and O&M cost recovery (PD/IB).

Energy Objectives

*Increased Availability of Energy: Lakhra Power and Coal Mining PP will be approved (PP/TT/IB/PD). WAPDA will establish a separate power distribution authority (PD/IB). Coordinate and develop multi-donor financing for generation and distribution rehabilitation projects (TT/IB).

*Identify and Develop Indigenous Energy Resources Primarily in the Private Sector:

ENERPLAN will finalize the GOP's seventh Five Year Energy Plan for 1988-1993 (PD/IB). ENERCON will obtain legislation encouraging energy conservation and conduct private sector energy audits (PD/TT/IB/PS). The national coal assessment Program will complete assessment work in the Lakhra and Sondha-Thatta fields (IB/TT).

Social Sector Objectives

*Reduction of Infant Mortality Rate 25 Percent by 1993: The Mission will reorient health assistance toward child survival objectives; analyze management problems in rural health services, strengthen surveillance and data analysis, and explore private sector operations (PD/IB/TT/PS). The GOP will design a major program to affect child survival (IB/PD).

*Total Fertility Rate Reduced to 5.0% by 1993: Under PWP, the GOP will incorporate family planning services into over 3,000 Ministry of Health facilities (IB), and intensify population-related research in the National Institute for Population Studies (PD/IB). SMC will support nation-wide contraceptives sales (PS); and

promote a mass media campaign for 'smaller families and family planning (PD/IB).

*Reduce the Burden of Preventable Disease on the Productive Population: New malaria control strategies will be tested (TT). Incentives will be established for health professionals to focus on preventive health care (PD/IB). Interventions will be explored to reduce mortality from tuberculosis, gastroenteritis and malaria (IB/TT).

*Upgrade Technical Leadership and Management Across Sectors: DST will expand training opportunities by 50 percent and provide more emphasis on private sector for both men and women (TT/IB/PS).

*Narcotic Elimination: Complete enforcement of the ban on poppy cultivation in all areas of the Gadoon-Amazai. Complete 2 major roads, establish a health centre, and install tubewells for irrigation and community water (PD/IB/TT).

*Strengthen Development Administration in NWFP Tribal Areas: Complete 3 roads, 12 irrigation works and 18 schools; electrify 16 villages, implement ground water surveys and organize a region-wide tube-well drilling program (IB/TT).

*Accelerate Integration of Baluchistan's Makran Division into Economic Mainstream of Pakistan: Construct 30 small irrigation works, and the Ketch river bridge. Continue work on the Bela Awaran road. At least 20 Makran students will be receiving AID scholarships (IB/TT).

C. Narrative

The recent change from martial law to a democratic form of government and associated changes at senior levels in the government may affect the pace of our policy dialogue.

Within the agriculture portfolio two projects, Forestry Planning and Development and Management of Agricultural Research and Technology, have experienced notable difficulties. In the former, lengthy delays in the GOP project approval process put the project approximately 16-18 months behind schedule. In the latter case, identifying suitable technical assistance sources and negotiating contracts because an unexpectedly long and complex process. These problems have finally been overcome and both projects are proceeding normally.

In the energy sector, the Rural Electrification project's component to expand the electricity distribution network has been suspended because of the nationwide shortfall in generation capacity. An evaluation this spring will give us views on possible reprogramming to increase electricity generation capacity under the existing project. The Lakhra project is now scheduled for FY 1987 obligation after delays mainly due to the requirements for complicated studies.

In health, generally the government is receptive to the idea of moving from a predominantly curative health delivery system to a prevention-based system but this remains to be reflected in policies and actions at the working levels of the Federal and Provincial governments. A.I.D. efforts will encourage this through child survival and ORT programs.

Three projects in the portfolio offer unusually severe management problems stemming from their objectives and the difficult geographical and cultural areas in which they operate. The Tribal Area Development Project is designed to bring remote areas of the NWF Province into the national civil and political framework of Pakistan. The project brings into conflict tribal customs and practices and commonly accepted government and business practices in regard to construction. In Baluchistan, the Area Development Project will shortly bring roads, schools and improved irrigation to the Makran district. There are very hostile external political forces intent on deterring the Pakistan and U.S. governments from bringing Baluchistan more into the mainstream of Pakistani life. The NWF Area Development Project is enjoying satisfactory progress for the moment. The project,

however, forms part of larger efforts to eradicate the cultivation of opium poppies. If enforcement falters, the A.I.D. project will suffer irrespective of its success or failure in putting beneficial physical and social infrastructure in place.

A host of coordination and management issues and procedures slows the implementation not only of A.I.D.'s projects but also of those of all other donors. Coordination and management between federal and provincial agencies are almost always problems because of differing perceptions and priorities. Approval for project design, budget cover, equipment specifications, consultants and participant trainees are complicated, time consuming and often difficult to achieve. The GOP and several major donors, primarily A.I.D. and the World Bank, two years ago established an implementation task force to address these problems. As a result a few have been resolved and a few more are being actively addressed. For example, the GOP recently agreed with us to shorten and simplify the approval process for project-funded trainees. Also, particularly acute funding and management problems plaguing several A.I.D. projects have been resolved through high level intervention by the Ministry of Finance and Planning.

PART III -- Special Considerations

A. Financial Issues And Anticipated Actions

Pipeline and Pipeline Aging -- By the end of FY 1985, the Mission's pipeline was \$505 million. This had dropped to \$467 million by December 31, 1985, although this reduction related more to the lack of obligations in the first quarter than it did to an increase in the pace of expenditures. The Mission has undertaken an intensive review of project expenditures against scheduled expenditures, the latter extending for each project from the time of initial obligation until PACD. The conclusion is that expenditures are only about \$100 million behind schedule. Of this, some \$30 million to \$40 million represents implementation problems. The

balance of \$60 million to \$70 million is largely from delays and slippages beyond A.I.D. control but not critical to project success; the rest of the pipeline at the end of FY 1985 showed 50 percent or \$250 million was in FY 1985 obligations with another 32% or \$160 million from FY 1984. Only 18% was from prior years, which is not a significant problem. The bulk of the pipeline was obligated in the last two years and does not as yet reflect a serious problem.

Mortgage -- The Mission's current portfolio of projects contains authorized and planned ESF and DA obligations for FY 1986 and FY 1987 totaling \$558.25 million. Within this amount in the current program, three new projects, i.e. Lakhra Coal, CFIC, and Roads Resources Management are anticipated to be authorized for a total of \$186 million. As of Feb. 1, 1986, \$15.9 million has been obligated in FY1986 funding. This sum, with the existing mortgage, will account for the remaining two year OYB without the need for other new projects. Beyond FY 1987, \$55 million has been authorized for ongoing projects, including \$5 million for the yet to be authorized Roads Resources management project.

Planned Obligations By Month

FY 1986

<u>Month</u>	<u>Project</u>	<u>Amount</u>
January	Energy Planning and Development	10. 9
	NWFP Area Development	5. 0
February	Baluchistan Area Development	17. 5
	Food Security Management	20. 0
	Development Support Training	8. 5
	TIPAN	10. 0
March	Management of Ag. Research & Technology	10. 0
	NWFP Area Development	8. 8
	Agricultural Commodities and Equipment	39. 0
	Primary Health Care	6. 5
	Malaria Control II	5. 5
	Forestry Planning and Development	8. 0
May	Social Marketing of Contraceptives	7. 2
	Rural Electrification	31. 5
	Population Welfare Planning	18.75
	Road Resources Management	1. 1
June	Energy Commodities and Equipment	39. 0
July	Commercial Funding Investment Corporation	16. 0
		<u>263.25</u>

FY 1987

<u>Month</u>	<u>Project</u>	<u>Amount</u>
December	Irrigation System Management	22.1
	Project Design and Implimentation Fund	3.3
	Development Support Training Project	6.5
February	Population Welfare Planning	6.5
	Rural Electrification	12.5
	Forestry Planning and Development	7.0
	Food Security Management	8.0
April	Tribal Area Development Project	9.0
	Baluchistan Area Development	11.4
	Road Resources Management	33.9
	Commercial Funding Investment Corporation	5.0
	Social Marketing of Contraceptives	4.3
	TIPAN	10.5
	MART	10.0
June	Lakhra Coal Power Generation	125.0
		<u>275.0</u>

DEOB/REOB Plans for FY 1986

The Mission has carefully examined the ongoing portfolio and has no candidates for deob/reob during FY 1986.

B. FY 1985, FY 1986 AND FY 1987 EVALUATION PLAN

The Mission will continue to stress the importance of evaluations in improving policy, strategy, program development and portfolio implementation. Each scope of work will have a clearly stated purpose which describes in detail the specific reasons for the evaluation and contribution to the Mission effort. The following plan addresses only formal external evaluations planned for the period under discussion. Informal monitoring and data gathering efforts and in-house evaluations with the GOP and concerned agencies will also continue and increase slightly. This plan will cover evaluations planned for initiation and completion during FY 1986 and FY 1987. The major focuses of these evaluations will be implementation, design, balance of payments support, policy dialogue, involvement of the private sector and funding issues.

Evaluations Completed FY 1985

Population Welfare Planning (391-0469)	I	Ist
Irrigation System Management(391-0467)	I	2nd
Project Design Fund (391-0470)	S	3rd In house Review

No evaluations are currently scheduled which will impact upon projects under

design. Evaluation findings to date have reinforced the objectives and assumptions of the Mission's current CDSS. Based upon evaluation findings the TADP (391-0471) and PHC (391-0475) are under review for substantive project redesign.

USAID/PAKISTAN EVALUATION PLAN FOR FY 1986

<u>QUARTER</u>	<u>PROJECT NO./TITLE</u>	<u>TYPE OF EVALUATION</u>	<u>STATUS</u>
1	391-0475 Primary Health Care	Interim	Completed.
1	391-0471 Tribal Areas Dev.	Interim	Completed.
1	391-0472 Malaria Control II	Special	Completed.
1	391-0474 Development Support Training	Interim	Completed.
1	391-0473 Rural Electrification	Interim	SOW under preparation.
3	391-0485 NWFP Area Dev.	Interim	SOW under preparation.
4	391-0472 Malaria Control II	Interim	Planned.

Purpose and Areas of Investigation: Assess project activities with emphasis on Procurement of insecticide and project efficiency. Progress towards improvement of Passive Case Detection activities, modifications to the Active Case Detection systems, promotion of voluntary collaboration in the PCD system and coordination between donor agencies will also be investigated.

USAID/PAKISTAN PROVISIONAL EVALUATION PLAN FOR FY 1987

<u>QUARTER</u>	<u>PROJECT NO./TITLE</u>	<u>TYPE OF EVALUATION</u>	<u>STATUS</u>
1	391-0486 Energy Commodities & Equipment	Interim	Planned

Purpose and Areas of Investigation: Assess overall project implementation and focus on: rapidity of disbursements; examination of rejected loan applications and the commodities requested; adequacy of financial and administrative procedures; Performance of banks in terms of compliance with GOP and AID requirements.

3	391-0481 Forestry Planning & Dev.	Interim	Planned
---	-----------------------------------	---------	---------

Purpose and Areas of Investigation: The evaluation will focus on: assessing the adequacy of the level of staffing in the office of the Inspector General of Forest, development and implementation of a farm forestry curriculum and research plan at the Pakistan Forest Institute; effectiveness of the monitoring and evaluation system established to collect data and evaluate progress, and the effectiveness of federal and provincial coordinating mechanisms.

3	391-0413 On Farm Water Management	Final	Planned
---	-----------------------------------	-------	---------

Purpose and Areas of Investigation: Assess progress in implementing institutional improvement including institutional relationships, policy implications, effectiveness of Water Users Associations, and effectiveness of technical assistance and training.

4	391-0468 Ag Commodities & Equipment	Interim	Planned
---	-------------------------------------	---------	---------

Purpose and Areas of Investigation: Evaluation will focus on final utilization of imported commodities. Site checks will enable the evaluation team to see equipment being used and check records of commodities procured. The evaluation will look at the private sector window/component of this project and assess the rapidity of disbursement, performance of banks, examination of rejected loan applications and adequacy of financial and administrative procedures. It will also evaluate current fertilizer pricing and distribution policies.

4 391-0472 Malaria Control II Special Planned

Purpose and Areas of Investigation: Examine field operations and progress toward meeting policy and operational benchmarks. Assessing incidence of chloroquine resistance malaria and providing recommendations for FY 87 spraying season including type and amount of insecticides will also be included.

C. PL-480

In accordance with instructions this section deals with FY 1988. The PL 480 Title I program will continue at a \$50 million or possibly higher level for edible oils in FY 1988. Commercial edible oil imports are the second most costly imported item. Title I self-help measures to deregulate the edible oils market will increase domestic private sector production. Local currency generation supports GOP population planning, education, irrigation and agricultural research activities.

D. Work Force The current program is highly staff intensive. USAID/Pakistan has relied heavily on contractors, TDYs and qualified FSN staff to carry it through the heavy design period. These resources are now devoted to implementation. The size and scope of the program will continue to require the current 43 full-time USDH staff. A Post-FY 1987 program which emphasizes policy dialogue and performance targets will require some staffing reorganization and skill requirements will change.

	<u>USAID Pakistan Staffing</u>					<u>FSN DH</u>	<u>FSN PSC</u>
	<u>FT USDH</u>	<u>PT USDH</u>	<u>IDI</u>	<u>USPSC</u>	<u>PASA</u>		
FY 1985	43	2	1	9	2	34	266
FY 1986	43	2	1	10	2	34	266
FY 1987	43	2	0	10	2	34	266

E. GRAY AMENDMENT REQUIREMENT: From FY 1984 to FY 1987 the Mission will obligate \$99 million of Development Assistance funds. To meet the ANE's goal, the Mission will contract with 8(a) firms for 10 percent of this level or \$9.9 million. To date actual commitments are \$8.9 million. However, planned commitments through FY 1987 total \$10.2 million.

	Actual FY 84	Actual FY 85	Actual FY 86	Planned Remainder FY 86	Planned FY 87
Total:	3.8	.7	4.4	.8	.5
Cummulative	3.8	4.5	8.9	9.7	10.2

The Mission has established and follows vigorous internal screening procedures to increase its utilization of Gray Amendment organizations.

F. Budget Tables

DEVELOPMENT ASSISTANCE, ECONOMIC SUPPORT FUND AND PL 480
BUDGET SUMMARY - FY 1986 & FY 1987 (\$000)

Project No. and Title		Loan/Grant	FY 1986	FY 1987
<u>DEVELOPMENT ASSISTANCE</u>				
391-0468	Agr. Commodities & Equipment	L	2500	
391-0469	Population Welfare Planning	G	6500	6500
391-0474	Development Support Training	G		6500
391-0475	Primary Health Care	G	6500	
391-0488	TIPAN	G		8500
391-0489	Mgt. of Ag. Research & Technology	G	8500	3500
	Total DA Programmed:	T	24000	25000
		L	2500	
		G	21500	25000
<u>ECONOMIC SUPPORT FUND</u>				
391-0467	Irrigation System Management	G		22100
391-0468	Agr. Commodities & Equipment	T	36500	
		L	26500	
		G	10000	
391-0469	Population Welfare Planning	G	12250	
391-0470	Project Design Implementation Fund	G		3300
391-0471	Tribal Areas Development	G		9000
391-0472	Malaria Control	G	5500	
391-0473	Rural Electrification	T	31500	12500
		L	27000	
		G	4500	12500

391-0474	Development Support Training	G	8500	
391-0478	Energy Planning & Development	G	10900	
391-0479	Baluchistan Area Development	G	17500	11400
391-0480	Road Resource Management	G	1100	33900
391-0481	Forestry Planning & Development	G	8000	7000
391-0482	Commercial Funding & Investment Corpn.	L	16000	5000
391-0484	Social Marketing Contraceptives	G	7200	4300
391-0485	NWFP Area Development	G	13800	
391-0486	Energy Commodities & Equipment	T	39000	
		L	-15000	
		G	24000	
391-0487	Lakhra Coal Power Generation	T		125000
		L		87000
		G		38000
391-0488	TIPAW	G	10000	2000
391-0489	Mgt. of Ag. Research & Technology	G	1500	6500
391-0491	Food Security Management	G	20000	8000
	Total ESF Programmed:		239250	250000
	Loan		84500	92000
	Grant		154750	158000
	Total Amount Programmed:		263250	275000
	Loan		87000	92000
	Grant		176250	183000
	PL 480 Title I	L	50000	50000
	Grand Total (DA, ESF and PL 480)		313250	325000

ID:1595K

ILLUSTRATIVE DRAFT

MEMORANDUM OF UNDERSTANDING CONCERNING THE PAKISTAN - UNITED
STATES ECONOMIC ASSISTANCE PROGRAM (1988-1993)

Three decades of Pakistan/U.S. economic cooperation have contributed to increased agricultural production, expansion of electric power generation and transmission, and improvements in the health and standard of living of Pakistan's rural and urban population.

At present, our two governments are working together to implement a special six-year \$1.625 billion program of economic assistance. The program is scheduled to terminate in 1987. The successful experience with this program, along with consideration of Pakistan's longer term development and security requirements, argue for a continuation of U.S. economic assistance beyond 1987.

Therefore, the Government of Pakistan and the Government of the United States have reached an understanding to institute a new six-year program of economic assistance to begin in 1988 and to extend through 1993, at a level targetted at \$ _____.

At the request of the Government of Pakistan, the program will support Pakistan's development objectives as enumerated in the GOP's planning documents and other relevant official statements of the Government of Pakistan.

The Government of the United States agrees to support, directly and indirectly, the announced GOP program of economic policy reforms to improve domestic resource mobilization, stimulate private sector investment and increase the overall efficiency of the Pakistan economy. It will also support GOP programs to eliminate narcotics production and trafficking.

The two governments will meet at least annually at senior levels to agree on specific milestones in the economic policy reform program. Their designated representatives will meet more frequently as required to frame detailed studies and recommendations and to monitor macroeconomic and sector policy progress.

To the extent feasible, the economic assistance program will utilize quick-disbursing funding mechanisms. Sector shares of the total funding available will be adjusted according to sector performance. Initially it is expected that the appropriate allocation of funds would be 45 percent for Agriculture and Irrigation, 35 percent for Energy, 17 percent for Social Sectors and 3 percent for planning and other operations. Discussion of program and project details is underway.

It is understood that the overall funding level targetted for the six-year period (1988-1993) is subject to the approval of the United States Congress and will depend upon progress in economic policy reform as well as successful project implementation.

ADDENDUM TO THE MEMO OF UNDERSTANDING

THE ECONOMIC DEVELOPMENT AGENDA

INTRODUCTION

The Government of Pakistan (GOP) and the Government of the United States (USG) desire to associate the U.S. Post-1987 Economic Assistance Program with support for a number of GOP economic policy initiatives. Prompt provision of these additional resources will constitute an important element in sustaining the GOP effort to achieve progress in economic reforms. A discussion of these macro-economic and sectoral policy objectives is provided below.

Macroeconomic Policy Objectives

The GOP has identified three fundamental policy objectives it intends to address further over the 1988-1993 period: 1) increased domestic resource mobilization, 2) greater liberalization of policies and procedures to facilitate private investment, and 3) improved trade performance. All three of these objectives will contribute to long-term improvement in the balance of payments.

The GOP has expressed its intention to mobilize greater domestic resources in a variety of ways: by continuing to reduce and eliminate subsidies, by reforming taxes, and by increasing incentives to save. Before 1988 the GOP expects to eliminate the budget subsidies on wheat,

flour, edible oil and fertilizer. By 1992 water user charges in each province are expected to cover, at a minimum, all O&M costs for the irrigation system. Electricity tariffs are to generate enough resources to cover 40 percent of WAPDA's investment budget by 1988 and to increase annually thereafter based on the long run marginal cost of supplying electricity.

Tax reform is under study by a newly appointed National Taxation Reform Commission. The GOP intends to implement this Commission's recommendations progressively over the 1988-1993 period. These recommendations are expected to reduce corporate and personal tax rates by 1988 but expand actual collection by over percent. Dependence on import duties should be reduced to less than 25 percent of total federal and provincial revenues. Greater taxing and collection authority is expected to be passed on to the provincial governments allowing for a major increase of their revenue by 1993.

The GOP is considering a number of measures to stimulate private investment. These measures include: the establishment of private financial companies in 1986, the possible introduction of private banking by 1990, and reform of the investment sanctioning process by 1990.

To strengthen trade performance, more efficient export expansion and import substitution measures may be needed. The GOP intends to increase its reliance over the 1988 to 1993 period on exchange rate policy and tariff reforms. The GOP also expects to reduce the role of import licensing and value limits on importers.

Sectoral Policies

The U.S. economic assistance program during the Post-1987 period will concentrate in only a few sectors to ensure maximum effect. These sectors are Agriculture and Rural Development, Energy, and Social Services. Identified below are key objectives in each sector which the GOP wishes to achieve over the 1988 to 1993 period. To the extent feasible, U.S. assistance will be programmed to help the GOP obtain these targets.

Agricultural and Rural Development

The GOP has identified two key objectives in agriculture: 1) maximum reliance on farm input and output market forces, and 2) improved integration of agricultural education, research and extension.

Specific policy decisions are under consideration resulting from the recommendations of the Deregulation Commission. These decisions concern edible oil, fertilizer and wheat. Before the end of 1986, the GOP is expected to allow free import of edible oil, unregulated procurement of domestic oilseeds, and open competition among all oil processing plants on an unsubsidized basis. The GOP is expected to adopt an imported oil tariff scheme based on the long-term import cost trend. Wheat flour sales at subsidized prices will be discontinued by 1987. Provincial quotas and financial subsidies on fertilizers will be eliminated before 1988; the economic subsidy is intended to be progressively reduced and eliminated by 1993. Distribution of imported fertilizer is expected

increasingly to be taken over by the private sector, rising to 70 percent before 1988 and 80 percent by 1990. The GOP intends to establish additional benchmarks when independent studies are completed and the Deregulation Commission submits further reports. Primary areas for review are expected to be policies surrounding grain storage, distribution and marketing.

The GOP desires to improve linkages among agricultural research, extension and education in order to enhance on-farm productivity by delivering sound crop technologies in a cost effective manner. Therefore the GOP is looking to allocate agriculture research resources based on a priority research plan to be agreed upon before 1988. Currently, wheat and maize have joint research programs with federal and provincial agencies. At least six more commodities are expected to have similar joint programs by 1988. Agricultural research, extension and education programs should be merged in the Sind and Punjab by 1989.

Energy

U.S. assistance will be identified with two principal objectives in the Energy Sector: 1) increased availability of electricity, and 2) accelerated development of indigenous energy resources, primarily in the private sector. The main elements in GOP programs to increase power availability are: expansion of power generation facilities; rehabilitation of existing production, transmission, and distribution facilities; and, conservation of energy use through electricity tariff revisions and modern technological investments.

If environmental, economic and financial conditions surrounding the Lakhra power and private sector coal mining project prove acceptable, the GOP expects to proceed with this investment in 1987. Apart from Lakhra and other major ongoing power generation investments, the GOP requires dramatic increases in power availability in the near term. The GOP will embark upon a major generation system rehabilitation program in 1986 to add up to 400 MW by 1990. Eight WAPDA and four KESC thermal power stations will be modified. Rehabilitation of the distribution system may add 150 MW by 1990. Distribution system investments are needed to reduce losses to below 24 percent of overall transmissions by 1988 and to 21 percent by 1993. The GOP is expected to decide by 1987 how to divest control of the power distribution function to the private sector. By 1993 the private sector should be responsible for over 50 percent of all power distribution in the country. The GOP intends to clarify before 1988 under what price and other conditions privately-produced power will be bought. The GOP will actively promote private sector investments in co-generation, mini-hydro, and conventional power plants.

Electricity and gas tariff rates are expected to be increased progressively throughout the 1988-1993 period to eventually reflect the opportunity cost of use. This should reduce wasteful demand and make it profitable to invest in energy efficient alternatives. In addition, during 1986 and 1987 the GOP plans to establish conditions which make it attractive to invest in modern energy saving technologies.

The GOP is undertaking many activities to accelerate the development of the country's energy resources: a small portion of the Lakhra coal field has been mapped in detail; a larger coal resource assessment is underway in the Lakhra and Sondha Thatta fields; and, areas in 3 other provinces will be assessed by 1989. Further, the GOP desires to contract with the Private sector for more exploration and development of onshore fields for natural gas and oil and possibly for concessions offshore.

Social Sectors

The GOP would like to associate U.S. assistance with two objectives in the social sectors. These are: 1) to reduce the 1985 infant mortality rate 25 percent by 1993, and 2) to reduce the total fertility rate to 5.0 by 1993. The rationale for choosing these objectives is to improve the quality of life in Pakistan.

To strike quickly at the child survival problem the GOP intends to establish a major commitment to the infant mortality objective by designing in 1986/87 a national child survival effort; by appropriating adequate funds in the national and provincial 1988/89 budgets; and, by setting up management information systems and an independent surveillance mechanism to ensure the desired results are achieved. Social marketing schemes are to be implemented throughout the 1986-89 period to increase private sector involvement in ORT activities. Production and marketing of ORT salts should be in the private sector by 1989. The GOP intends to begin implementing new Malaria control strategies in 1987 that reduce reliance on insecticides.

Reducing the total fertility rate from 5.9 to 5.0 by 1993 is an ambitious complex task. Therefore, a number of interventions are important. The first is the one discussed above - child survival. The GOP will also continue its support throughout the 1988-1993 period to programs in the private sector that increase the availability of contraceptives. By 1993 the contraceptive prevalence rate is expected to reach 25 percent.

In addition, through an expanded social marketing program and more extensive use of NGO's, the private sector will deliver 50 percent of all contraceptive services by 1993. The GOP intends to refocus the rural health care delivery system by 1988 towards more preventive services by installing new incentive, training and management systems. A feasibility study and proposal to devolve management and financial control of rural health facilities to local government units should be completed by 1988. Lastly, family planning services must be made more easily available to people. The GOP intends to incorporate such services into the rural health delivery system by 1987.

Senior Officials' Group

In order to plan the most effective use of U.S. resources, a senior officials' group will be established to meet at least annually. The annual meeting will review progress on milestones set out to obtain the desired ends and to establish new objectives as appropriate. This senior group will rely on its designated representatives, who will meet more frequently as required, to discuss how to frame detailed studies and recommendations and to monitor macroeconomic and sector policy progress.

SELECTIVE* POST 1987 PROGRAM/PROJECT IDEAS

I. MACROECONOMIC

A. Macroeconomic Policy Support Program: Cash Transfer Mode (\$200-\$400)

This program would provide for quick disbursing assistance by making cash grants to the GOP based on an annual or semi-annual review of policy changes and program actions mutually agreed upon by the two countries. Policy changes, benchmarks and other related activities or actions could be negotiated at the beginning of the entire six-year program or of each U.S. fiscal year. At specific intervals disbursements could be made based upon satisfactory performance against the benchmarks.

Below are two illustrative groups of actions that could be established to "trigger" cash releases:

1. The GOP plans to implement the recommendations set forth by the National Tax Reform Commission during the FY 1988 to FY 1993 time period. Mutually agreed upon cash grants could be provided to the GOP as specific Commission recommendations are implemented. For example, an announcement to reduce further the personal and corporate tax rates could trigger a disbursement. Also, official devolvement of certain taxing authority to provincial or lower governmental levels could be another target. Initiating a tax mapping campaign to broaden the tax base is a third example. Full definition of the program would depend on discussions with the Commission to better understand its work and plans in order to establish realistic targets.
- 2.. If there is a general association of the Post-1987 Economic Assistance Program with a set of multi-year GOP objectives, then funds could be tranced over several years against annual reviews of progress toward those targets. A set of benchmarks could be mutually agreed upon prior to the new program. The first review could take place in FY 1987 in order to set up the first possible cash release in early FY 1988.

*The descriptions are selective because they relate mostly to new types of projects/programs. Continuation of some existing projects is also likely but not all are included herein. All dollar figures are in millions.

II. AGRICULTURE AND RURAL DEVELOPMENT

Detailed benchmarks regarding policy reforms necessary to facilitate increased agricultural growth and development require additional, detailed study and research. However, broadly defined recommendations are provided below and will serve as points of departure for future work.

A. Irrigation Systems Managment (ISM): Performance Payments: (\$100 - \$200)

The project purpose is to increase the capabilities of institutions involved in irrigation system planning, design, research, operation, and maintenance, and to bring about policy changes needed for proper irrigation water management. There are several interventions which work toward that end:

1. Future ISM funding releases could be related to specific progress in the privatization of tubewells. Illustrative targets could be:

<u>PFY</u>	<u>Tubewells Divested</u>	<u>Illustrative Performance Payment</u>
1988-89	200	\$ 20
1989-90	700	40
1990-91	2200	40
1991-92	3000	20
1992-93	4000	30

2. Implementation of water use charges according to the following illustrative schedule could be tied to cash transfers at the federal and provincial level. At the provincial level competition for funding could be allowed such that non-performing or lagging provinces would receive less than programed and those performing would receive the forms:

<u>PFY</u>	<u>Target Percentage of Full Funding Requirements</u>			
	<u>Baluchistan</u>	<u>Sind</u>	<u>Punjab</u>	<u>NWFP</u>
1988-89	56	68	76	60
1989-90	67	76	82	70
1990-91	78	84	88	80
1991-92	89	92	94	90
1992-93	100	100	100	100

3. To insure that budgeted funds are adequate and used properly for maintaining the irrigation system, an Independent Inspection System (IIS) could be developed. This system would document and prioritize maintenance needs by independent irrigation department organizations, as well as monitor the system to insure its successful implementation. A possible timetable for implementation of the IIS could be:

Acceptance by provinces	March 1986
Interim Staffing and Training	June 86-January 88
Full Staffing by Irrigation Departments	January 1988

Based upon each province meeting their targets, cash transfers at the provincial level could be made.

B. TIPAN and MART Projects: Project Mode: (\$50 - \$100)

The objectives of these two projects are to increase agricultural yields, and to improve the agricultural technology transfer network.

The following targets could be set for Post-1987 projects:

1. The institutional merger of research and educational programs in Sind and Punjab with appropriate extension linkages in place. The NWFP merger plan will advance to "second generation issues."
2. A systematic approach in effect which allocates resources to agricultural research on the basis of opportunities to advance knowledge and technology.
3. Quality control standards in place for curricula at the three agricultural universities, scientific investigation and peer review in research.
4. Private sector participation including funding commitments through private resources in research activities with special emphasis on poultry, animal husbandry, oilseed production and farm mechanization.

C. ACE: Commodity Import Program: (\$200 - \$400)

The objective of this program is to increase the productivity of the agricultural sector by financing the costs for importation of: fertilizers and improved seeds; equipment and machinery for farm use; commodity support for agencies which provide agricultural services; agricultural machinery equipment and commodities to be imported by the Pakistani private sector.

ACE could support the following illustrative policy actions by the GOP:

- eliminate the fertilizer financial subsidy by 1988 and gradually reduce the economic subsidy by 1989.
- Remove constraints to private sector investments such as investment sanctioning, import ceiling and value levels and price controls.
- Initiate policies to encourage the establishment of a viable commercial seed industry through better credit facilities, tax relief and authorization to form joint ventures with foreign firms.
- Encourage private sector assumptions of some public sector activities in import and export commodity management, internal marketing, and processing of major foods and raw materials.

III. ENERGY

Energy Sector objectives are to increase the availability of energy and its efficient use and to accelerate development of indigenous energy resources primarily through the private sector.

A. Energy Sector Program: Cash Transfer Mode (\$300-\$400)

This could be a multi-faceted program designed to provide fast disbursing resource transfers against a set of mutually agreed upon benchmarks. Examples of these benchmarks could be: 1) the GOP's decision to direct the gas and electricity distribution functions to the private sector with cash transfers occurring when real changes in distribution control are effected; 2) the Oil & Gas Development Corporation (OGDC) being placed off-budget to become self-financing; 3) gas and electricity tariff reform studies completed and pricing policy designed to reduce wasteful demand; 4) power produced by the private sector procured by the GOP.

B. Rural Electrification Project: Project Mode (\$100-\$200)

This project would continue and expand upon activities currently on-going as well as place priority on increased power availability in the immediate future. Generation and distribution system rehabilitation would continue with the aim of providing an additional 500MW of power by 1990. These rehabilitation programs require major resources for equipment needs. This project would also assist the GOP to move toward a major policy decision to divest itself of its current power distribution responsibilities.

C. Energy Planning and Development Project: Project Mode (\$25 to \$50)

This project would continue to assist the GOP through the ENERCON and ENERPLAN components to design, plan and study project implementation methodologies in the energy sector. Illustratively these institutions could assist the GOP to clarify pricing decisions within the power sector, and how and when the GOP should turn over power distribution to the private sector. Studies of indigenous energy resource uses would help clarify and strengthen energy conservation issues. This project could also prepare the energy analyses that will be required for the next GOP five year plan as well as assisting in preparation of that plan.

IV. SOCIAL SECTOR

A. Health Sector Program: Performance Payment or Budget Support Mode (\$100 - \$200)

1. Sector objectives are to reduce the 1985 infant mortality rate 25 percent by 1990, and to reduce the total fertility rate to 5.0 by 1993. A large focused program centering on child survival activities could constitute USAID's main thrust in the health field. Resource transfers to the GOP would take place at specified points in the program when mutually agreed upon design, planning and implementation activities have occurred. For example the performance targets could be:
 1. a cabinet or MOH approved national child survival plan (15%).
 2. annual national and provincial appropriations sufficient to implement the child survival plan (60% - 15% a year for 4 years)
 3. Independent, verified results that the program was effective (25% at end of program)
2. A second program could focus anew on the effectiveness of the rural health care system. This program could provide outdget-support to the proinvinces, districts and village councils related to the following specific benchmarks:
 1. Inclusion of family planning services into the Rural Health System.
 2. Implementation of measures regarding, a) personnel assignments, b) hardship allowances, c) supervisory control, d) job definitions.
 3. Study of how to re-establish greater local managerial and financial control of rural facilities.
 4. Begin implementation of study recommendations.

B. Private Sector Population Project: Project Mode (\$50 million)

The greatest untapped resource that could provide for a significant and rapid expansion of family-planning service delivery is the private sector. Contraceptive distribution is targetted for 30,000 retail outlets during the 1988-1990 period. This project would expand the social marketing concept to more companies and develop greater use of NGO's to increase the private sector delivery of all contraceptive services to at least fifty percent by 1993.

ID2089H

USAID / PAKISTAN PROGRAM WEEK : FEB.

1986 ACTION PLAN

PAKISTAN

ACTION PLAN

PD-AAX-334

1 OF 1 (24X)

1986